

**Effective 7/1/2014**

**Superseded 5/10/2016**

**34A-2-213 Coordination of benefits with health benefit plan -- Timely payment of claims.**

- (1)
  - (a) This section applies if:
    - (i) a health benefit plan paid medical claims under Section 31A-22-619.6; and
    - (ii) the Labor Commission issued an order or approved the terms of a settlement agreement under Section 34A-2-801, which:
      - (A) found that the medical claims are compensable under Title 34A, Chapter 2, Workers' Compensation Act, or Title 34A, Chapter 3, Utah Occupational Disease Act; and
      - (B) is final under Section 34A-2-801.
  - (b) For purposes of this section, "workers' compensation carrier" means any of the entities an employer may use to provide workers' compensation benefits for its employees under Section 34A-2-201.
- (2)
  - (a) The Labor Commission shall provide a health benefit plan with notice that an application for hearing has been filed in accordance with Subsection 31A-22-619.6(2)(a)(i) if either the employee or a health care provider requests that the commission send the notice.
  - (b) The Labor Commission shall prepare and provide notice to an injured employee of the employee's right to payment by the employee's health benefit plan under Section 31A-22-619.6. The notice provided under this Subsection (2) shall include the process the employee shall follow to obtain payment from a health benefit plan for a medical claim that is the subject of an application for hearing under Section 34A-2-801.
- (3)
  - (a) The Labor Commission shall, within three business days after the date on which the order or approval of the terms of a settlement agreement is signed by the administrative law judge under Section 34A-2-801, send a copy of the order or terms of the settlement agreement to:
    - (i) a health benefit plan that made payments under Section 31A-22-619.6;
    - (ii) the workers' compensation carrier; and
    - (iii) the injured worker.
  - (b) The workers' compensation carrier shall, within 15 business days after the day on which the Labor Commission's order or settlement agreement is final under the provisions of Section 34A-2-801, pay:
    - (i) the health benefit plan, in the amount the plan paid to the health care provider for medical claims that are compensable under the order or the terms of the settlement agreement, plus interest accrued at the rate of 8% per annum from the date the health benefit plan paid the medical claims until the date the workers' compensation carrier reimburses the health benefit plan, unless, in settlement negotiations, the health benefit plan agreed to waive, in whole or in part, reimbursement for medical claims paid, interest accrued, or both; and
    - (ii) the employee, in the amount of:
      - (A) any co-payments, coinsurance, deductibles, or other out-of-pocket expenses paid or incurred by the employee; and
      - (B) interest accrued at the rate of 8% per annum from the date the employee paid the expenses described in Subsection (3)(b)(ii)(A) until the date the workers' compensation carrier reimburses the employee.
- (4) If the Labor Commission determines that a workers' compensation carrier did not make the payment required by Subsection (3) within the time period required in Subsection (3), the commissioner shall:

- (a) assess and collect a penalty from the workers' compensation carrier in:
    - (i) the amount of \$500 for failure to pay the amount required by Subsections (3)(b)(i) and (ii) within the period of time required by Subsections (3)(b)(i) and (ii); and
    - (ii) an additional amount of \$500 for each calendar month:
      - (A) that accrues after the penalty is assessed under Subsection (4)(a)(i); and
      - (B) for which the amount required by Subsections (3)(b)(i) and (ii) are not paid;
  - (b) deposit any penalties collected under this Subsection (4) into the Uninsured Employers' Fund created in Section 34A-2-704; and
  - (c) notify the Utah Insurance Department of the workers' compensation carrier's failure to pay the health benefit plan or the employee in accordance with this section.
- (5) The penalty imposed by Subsection (4) is in addition to any action taken or penalty imposed by the Utah Insurance Department under Title 31A, Insurance Code.
- (6) The commission may adopt administrative rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to:
- (a) establish procedures for:
    - (i) assessing and collecting penalties under Subsection (4); and
    - (ii) providing notice as required by this section; and
  - (b) enforce the provisions of this section.
- (7) This section sunsets in accordance with Section 63I-1-234.